

Message Text

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PAGE 01 KINGST 07796 281628Z

ACTION ARA-14

INFO OCT-01 ISO-00 BIB-01 CIAE-00 DODE-00 PM-05 H-01

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SS-15 /056 W

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FM AMEMBASSY KINGSTON

TO SECSTATE WASHDC 8922

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY GEORGETOWN

AMEMBASSY NASSAU

AMEMBASSY PORT OF SPAIN

USIA WASHDC

C O N F I D E N T I A L KINGSTON 7796

E.O. 11652: GDS

TAGS: SOPN, PINT, JM

SUBJECT: "DAILY NEWS" CUTS STAFF

REF: KINGSTON 7486

1. THE OWNERS OF THE "DAILY NEWS" HAVE DECIDED TO REDUCE THE NEWSPAPER'S STAFF FROM 150 TO 83 IN THEIR EFFORT TO KEEP IT AFLOAT. THE NAMES OF THE 67 EMPLOYEES WHO ARE TO BE DECLARED REDUNDANT WERE DETERMINED JOINTLY BY THE NEWSPAPER'S MANAGEMENT AND THE UNION REPRESENTING THE EMPLOYEES' THE NATIONAL WORKERS UNION (NWU).

2. THE ANNOUNCEMENT OF THE STAFF CUT BROUGHT PREDICTABLE PROTESTS. A GROUP OF "DAILY NEWS" EMPLOYEES LED BY THE PAPER'S EDITOR, CANUTE JAMES (WHO PROVES TO HAVE BEEN PLACED ON "LEAVE" RATHER THAN FIRED PENDING RESOLUTION OF HIS DISPUTE WITH THE PAPER'S OWNERS OVER HIS PEROGATIVES), ASSERTED THAT THE STAFF RETRENCHMENT IS A MOVE BY THE OWNERS TO SCUTTLE THE PAPER. THEY ARGUE THAT THE REMAINING

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83 ARE TOO FEW TO SUCCESSFULLY PUBLISH A DAILY PAPER. CLAIMING THAT THE REAL PROBLEM LIES IN MANAGERIAL AND ADMINISTRATIVE FAILURES, THE GROUP URGED POSTPONEMENT OF THE RETRENCHMENT PENDING FORMULATION OF A "COMPREHENSIVE RESTRUCTURING PLAN INCLUDING THE NECESSARY CAPITAL INJECTIONS AND WORKER INPUT..."

3. COMMENT: WHETHER THE RETRENCHMENT CAN SAVE THE "DAILY NEWS" IS EXTREMELY UNCERTAIN. ITS DECLINING CIRCULATION IS ITS MOST SERIOUS PROBLEM, AND WILL REQUIRE VERY SUBSTANTIAL CHANGES IN APPROACH. THE NWU OFFICIAL WHO DEALT WITH THE REDUNDANCY QUESTION SAID THAT HIS UNION HAD CONCLUDED THAT THE "DAILY NEWS" HAS SUFFERED BADLY FROM POOR MANAGEMENT AND SIGNIFICANT OVERSTAFFING. "WE COULDN'T HAVE AGREED TO THE STAFF CUT IF WE WERE CONVINCED OF THAT THERE WAS UNNECESSARY SPECIALIZATION," HE SAID. THE NWU OFFICIAL SAID THAT THE STAFF CUTS WILL GIVE THE NEWSPAPER A BIT MORE TIME TO CURE ITS STRUCTURAL PROBLEMS, AND THUS TO INCREASE ITS EFFICIENCY AND CUT ITS COSTS. HE ADDED THAT EVEN IF THESE STEPS ARE NOT FULLY ADEQUATE TO RESTORE THE PAPER TO FINANCIAL WELLBEING, THE JAMAICA DEVELOPMENT BANK HAS A FIRST LIEN ON THE "DAILY NEWS" AND THIS MAY MEAN THAT THE PAPER MAY HAVE A LONGER LEASE ON LIFE THAN A SIMPLE READING OF ITS ACCOUNTS MIGHT SUGGEST.

IRVING

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NEWSPAPERS, PERSONNEL SEPARATIONS, BUSINESS LOSSES
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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